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Title: Need to take steps to increase production and distribution of domestic fertilizers and provide incentives for organic farming and crop rotation in the country.

SHRI PRATAP SINGH BAJWA (GURDASPUR): The price of fertilizer, an essential ingredient for farming in Punjab, has gone up considerably. Over the last six months alone, the price of DAP (Di-Ammonium Phosphate) and Potash, the most commonly used fertilizers have increased 52 and 88 per cent respectively. At a current price of around Rupees 920 a kilo for DAP, this has resulted in higher input costs for farmers and slimmer margins for their labour, leading to their anger. Similar cries are being heard across the country where the farmers, reeling under the increased expense of fertilizers, have stopped using fertilizer resulting in decreased yields.

With the domestic demand of DAP touching 12 million tonnes a year, there is a shortfall in the domestic supply over a half, i.e., 6.5 million tonnes of DAP needs are met by expensive imports. This is similar with Potash and Urea fertilizers. Regulatory measures such as freeing prices of DAP and Potash, implemented by the government to increase supply have not borne the intended result. There are cases where private firms over-invoice fertilizer purchases to claim benefits from the government. In turn the Maximum Retail Price increases are pinching the already financially strained farmers. All the while the fertilizer subsidy bill of the nation is increasing.

Although the fertilizer subsidy must not be reduced, immediate measures should be taken to increase the domestic fertilizer production and distribution. Measures must be taken to ensure reasonable retail price for fertilizers. The Minimum Support Price for produce should also be increased to offset these higher prices. The government should consider providing incentives for organic farming and crop rotation.

As it impacts food security of the nation it is high time that this matter is addressed on a priority basis. I call upon the Hon. Minister to take immediate remedial measures in the matter.